

*Periodic Report on the National Emergency
With Respect to Sudan*

I hereby report to the Congress on developments over the course of the past six months concerning the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) ("IEEPA"), and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c).

1. As of October 3, 2003, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") had issued 35 licenses during the current reporting period. Seventeen of the licenses were issued authorizing commercial sales and exportation to Sudan of bulk agricultural commodities, agricultural products, and medicine. Ten licenses were issued releasing blocked funds after it was determined that there was no Sudanese government property interest in the funds. An additional seven licenses authorized a variety of transactions consistent with U.S. foreign policy. Sixteen license applications were denied, the overwhelming majority involving blocked funds that, after review, were determined to involve a Sudanese government property interest.

2. As of October 3, 2003, OFAC had blocked 62 transactions totaling nearly \$3 million during this reporting period. Under the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (the "Regulations"), transactions in violation of the sanctions where there is no blockable interest of the Government of Sudan must be returned to remitters ("rejected"). During this reporting period, 438 such transactions were rejected by U.S. banks resulting in a disruption of at least \$23 million in business for Sudan. In addition, as of October 3, 2003, OFAC

had authorized an additional 12 non-governmental organizations ("NGOs") to conduct humanitarian relief operations in Sudan, bringing the total number of NGOs licensed to 166.

3. Since my last report, OFAC has collected nearly \$139,000 in seven civil monetary penalties or installment payments for violations, or settlements for allegations of violations, of IEEPA and the Regulations. The payments originated from three U.S. companies, two U.S. financial institutions, and two individuals. Five defaulted assessed penalties totaling \$28,777.72, from five U.S. companies have been referred to the Financial Management Division for debt collection or installment payment plan arrangement. An additional 45 cases are undergoing penalty action for violations of the Regulations and IEEPA.

4. The expenses incurred by the Federal Government in the six-month period from May 3 through November 2, 2003, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Sudan are reported to be approximately \$370,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control and the Office of the General Counsel), the Department of State, the Department of Homeland Security, and the Department of Commerce.

5. The situation in Sudan continues to present an unusual and extraordinary threat to the national security and foreign policy of the United States. The declaration of the national emergency with respect to Sudan contained in Executive Order 13067 underscores the U.S. Government's opposition to the actions and policies of the Government of Sudan, particularly

its failure to respect basic human rights and its restrictions on religious freedom.

The prohibitions contained in Executive Order 13067 advance important objectives in promoting the anti-terrorism and human rights policies of the United States. I will continue to report periodically to the Congress on significant developments as required by law.



John W. Snow

Department of the Treasury

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